

WASHINGTON, DC – Congressman Peter DeFazio (D-Springfield) helped author legislation, H.R. 6515, the Drill Responsibly in Leased Lands (DRILL) Act, which unfortunately failed to pass the House of Representatives today due to Republican opposition. This legislation would have increased domestic production and could have reduced gas prices.

“Americans are suffering as a result of high gas prices while oil companies continue to reap obscene profits,” DeFazio said. “I was proud to help author the DRILL Act would help force oil companies to increase domestic production and bring relief to consumers.”

The DRILL Act takes several steps to increase domestic production and lower gas prices. First, it mandates that the Bush Administration expedite expanded drilling in the single biggest pool of oil in the United States, the National Petroleum Reserve-Alaska (NPRA), which holds at least 10.6 billion barrels of recoverable oil. Despite the rapid increase in oil prices, the industry has only managed to drill 25 exploratory wells in the reserve and they have yet to begin to build a link to the nearby Prudhoe Bay pipeline.

The legislation also requires the President to facilitate construction of a natural gas pipeline. A pipe line would allow America to pursue the Pickens Plan. Developed by T. Boone Pickens, the billionaire oilman from Texas, the plan promotes a massive expansion of wind power and the substantial replacement of oil with more environmentally-friendly natural gas. A pipeline is critical to our energy security and its assembly would be among the largest construction projects ever undertaken and create good-paying American jobs. In the already developed areas of the North Slope there is a tremendous amount of natural gas which is either not being utilized or being re-injected into the land. A pipeline would drive down the price of natural gas and is critical to our ability to use this fuel.

The DRILL Act would also ban the export of Alaskan oil. In 2000, about 7% of crude oil production from the Alaskan North Slope was exported to South Korea, Japan, and China. A ban on exportation was in place from 1973 to 1995 and reinstating the ban would ensure that American oil helps the American people. DeFazio first proposed to end the exportation of U.S.

oil in 2000.

Finally, the DRILL Act requires oil companies to diligently develop leases on federal lands (onshore and offshore) that they are already holding. The Department of the Interior has calculated that 82% of the natural gas and 79% of the oil on the Outer Continental Shelf is located in areas that are currently open for leasing. The bill ensures oil companies are not withholding supply and artificially driving up the price of oil.

Bogus Supply and



NPRA

22.6 million acres are available
Only 3 million acres leased
Only 25 exploratory wells drilled
Zero production
Known resources: 10.6 billion barrels

91 Million Acres Open

"The United States uses 25 percent of the world's oil production, but holds only three percent of the world oil reserves. We cannot drill our way out of this crisis over the long-term, but we can provide some shorter term relief by increasing domestic production," DeFazio said. "More needs to be done to bring down the price of fuel immediately, such as the President releasing oil from the strategic petroleum reserve and Congress acting to end rampant speculation of oil prices but, the DRILL Act is a step in the right direction towards

affordable oil prices while more sustainable, renewable sources are being developed."

"I am also committed to using the United State's technological advantage to foster change in how we use energy. We need to advance renewable fuels, fuel cells, and advanced battery technologies," DeFazio concluded.